

PROPOSITION ____
[I - 04 - 2022]

Voters' Right to Know Act

ANALYSIS BY LEGISLATIVE COUNCIL

Legislative Council Staff Draft

1 Proposition ____ would amend the campaign finance laws to require a "covered person" (a
2 person or entity that spends \$50,000 or more on campaign media for a statewide candidate during
3 a two-year election cycle or that spends \$25,000 or more on campaign media for any other type of
4 candidate during a two-year election cycle) to disclose the identity of anyone who donates more
5 than \$2,500 to the covered person. Proposition ____ also requires any donor that contributes more
6 than \$5,000 to a covered person during an election cycle for campaign media spending to identify
7 donations of more than \$2,500 in original money to that donor, and transfers of more than \$2,500
8 from intermediaries to that donor.

9 Proposition ____ also provides for the following:

10 1. Requires a covered person who donates more than \$5,000 to another covered person for
11 campaign media spending to identify each person or entity that contributed more than \$2,500 in
12 personal money or business income (including money from commercial transactions and some
13 membership or union dues) to the covered person and identify any other person or entity that
14 previously transferred the money.

15 2. Requires that the covered person's disclosure report to the Secretary of State include the
16 following:

- 17 a. The identity of the person who owns or controls the money being contributed.
18 b. The identity of any entity established, financed, maintained or controlled by the person
19 who owns or controls the money being contributed and that maintains its own transfer records.
20 c. The name, address and position of the person who is the custodian of the transfer records.
21 d. The name, address and position of the person who controls how the money is spent.
22 e. The total amount of money donated or promised to be donated to the covered person for
23 use or transfer for campaign media spending on the date the covered person makes the report.
24 f. The identity of each donor of original monies who contributed, directly or indirectly,
25 more than \$5,000 of money or in-kind contributions for campaign media spending during the
26 election cycle to the covered person, and the date and amount of each donor's contribution.

27 3. Requires each covered person to file a supplemental report within three days each time
28 the covered person spends money or accepts in-kind contributions totaling an additional \$25,000
29 for campaign media spending during an election cycle on statewide campaigns or an additional
30 \$15,000 during an election cycle for any other type of campaigns.

31 4. During the twenty days before an election, requires a political action committee or
32 political party that spends reportable money or receives reportable in-kind contributions to file
33 disclosure reports within three days.

34 5. Exempts the following from the new disclosure requirements in this measure:

- 1 a. Persons or entities that spend their own personal money or business income.
- 2 b. Candidate committees.
- 3 c. Political action committees or political parties if they receive \$20,000 or less from any
- 4 one person or entity during an election cycle.
- 5 d. Contributions of \$5,000 or less contributed directly or indirectly to a covered person
- 6 through intermediaries for purposes of campaign media spending.
- 7 e. Original sources of contributions that are otherwise protected by law or if the Clean
- 8 Elections Commission determines that there is a reasonable probability that disclosure of that
- 9 original source will subject that original source or the original source's family to serious risk of
- 10 physical harm.
- 11 6. Requires disclosures to be electronically filed with the Secretary of State under penalty
- 12 of perjury and with other officials as provided by law, with the disclosures to be publicly posted.
- 13 7. Prohibits a person from attempting to, assisting in or structuring any solicitation,
- 14 contribution, donation, expenditure, disbursement or other transaction to evade campaign finance
- 15 reporting requirements.
- 16 8. Designates the Clean Elections Commission as the primary agency to implement and
- 17 enforce all campaign finance matters. Authorizes the Commission to adopt and enforce rules,
- 18 issue civil subpoenas, initiate enforcement actions, conduct fact-finding hearings and
- 19 investigations, impose civil penalties for noncompliance and seek legal and equitable relief in
- 20 court.
- 21 9. Requires the Clean Elections Commission to establish requirements for a covered person
- 22 to name in the campaign media at least the top three donors who made the three largest
- 23 contributions during the election cycle, except for certain electronic communications when not
- 24 technologically possible.
- 25 10. Requires the Clean Elections Commission's civil penalties to be at least as much as the
- 26 amount of the improper contribution but not more than three times that amount, and requires
- 27 penalties to be deposited in the Clean Elections Fund to pay for implementing and enforcing
- 28 campaign finance laws or for other Commission-approved purposes.
- 29 11. Allows any voter to file a complaint with the Clean Elections Commission to enforce
- 30 the campaign finance laws and provides for an investigation and a hearing. If the Commission
- 31 dismisses or takes no enforcement action on the complaint, the voter may file a civil action to
- 32 compel the Commission to take action on the complaint.
- 33 12. Provides for an additional 1% surcharge on civil and criminal penalties, to be deposited
- 34 in the Clean Elections Fund. Allows suspension of the surcharge for one to three years if the
- 35 Commission determines it can perform its duties without the surcharge.
- 36 13. Allows the Legislature and counties, cities and towns to enact more stringent disclosure
- 37 provisions.
- 38 14. Allows the Clean Elections Commission and the proponents of this act to have standing
- 39 to intervene in or defend any challenge to the campaign finance laws.
- 40 15. Gives the Clean Elections Commission authority to select its own attorneys.
- 41 16. States that the rights established by this act shall be construed broadly.